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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

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To the President of the Senate and the  
Speaker of the House of Representatives

This is our report on opportunities for improvement in the administrative and financial operations of the U.S. district courts. Our review was made pursuant to the Accounting and Auditing Act of 1950 (31 U.S.C. 67) and the December 1968 agreement between the Director, Administrative Office of the United States Courts and the Comptroller General provided for in the September 1968 resolution of the Judicial Conference of the United States.

Copies of this report are being sent to the Director, Office of Management and Budget; the Chief Justice of the United States, the Chairman, Judicial Conference of the United States; and the Director, Administrative Office of the United States Courts.

A handwritten signature in dark ink, reading "James B. Stacks".

Comptroller General  
of the United States

D I G E S T

WHY THE REVIEW WAS MADE

In the past General Accounting Office (GAO) reviews of financial transactions of the U.S. courts, exclusive of the Supreme Court, have consisted of examinations, on a centralized basis, of certain documents furnished by the clerks of the courts to the Administrative Office of the United States Courts. However, the propriety of reported transactions could not be established, and the accuracy of the data submitted to the Administrative Office could not be verified by such reviews.

The Comptroller General brought the matter to the attention of the Judicial Conference of the United States, and a mutually satisfactory agreement was reached for an inspection of records by GAO at the various court locations throughout the United States. Pursuant to the agreement GAO reviewed selected administrative and financial operations of the clerks of courts in three U.S. district courts and of the Administrative Office. (See p. 5.)

The Judicial Conference has been interested in improving the various facets of the judicial process. It has directed that studies be made and has exerted other efforts toward accomplishing this objective. This report is aimed at assisting and furthering the efforts of the Judicial Conference for improved administration of the courts.

The principal objective of the GAO review was the identification of potential improvements to bring about more efficient and economical administration of court activities and to reduce the judges' administrative burdens so as to permit the judges to devote a greater portion of their time to judicial matters. GAO believes that improvements in the administration of court affairs would bring about better relationships between the courts and the public and would enhance the position of the judiciary.

FINDINGS AND CONCLUSIONS

GAO believes that the number of prospective jurors summoned to appear at the district courts for impanelment but not selected to serve on juries can be reduced. Summoning fewer prospective jurors could

result in (1) benefitting the courts financially, (2) minimizing the number of persons inconvenienced, and (3) improving the relationship between the courts and the public. (See p. 9.)

Although the district courts had been informed of the benefits to be derived from the automation of juror selection procedures, the three districts included in GAO's review had taken little, if any, action to implement such automation. GAO believes that all districts meeting the criteria established by the Administrative Office should automate the procedures to bring about efficiencies and economies. (See p. 16.)

During fiscal year 1969, a monthly average of about \$35 million of registry account funds was on deposit in commercial banks of which about 15 percent was earning interest. If the funds had been on deposit in Federal Reserve banks, the Government could have reduced its borrowing requirements and interest costs. Each district court decides whether the funds are to be deposited in Federal Reserve banks or in commercial banks. Of the 93 district courts, 75 had deposits exclusively in commercial banks or in both commercial banks and Federal Reserve banks. GAO estimates that the Federal Government could have realized savings of about \$1.8 million during fiscal year 1969 if all the district courts had deposited registry account funds exclusively in Federal Reserve banks. (See p. 19.)

Some judicial districts hold court at some locations infrequently and for short periods of time. This situation has resulted (1) in lost time to the judges, due to the need for travel, and in disruption to their schedules, (2) in low usage of courtroom facilities which could be made available to other Government agencies, and (3) in increased cost of transporting court employees and records. The substantial volume of work which faces the courts emphasizes the need to explore means for carrying out the courts' responsibilities more timely and economically. (See p. 22.)

In the clerks' offices included in GAO's review, adequate internal controls had not been provided for the accounting, safeguarding, and disposing of money and other items of value. (See p. 26.)

A need exists to improve the courts' payroll system to support the entitlement of employees and former employees for the amounts paid. During fiscal year 1969, salaries of about \$53 million were paid to officers and employees, exclusive of judges, of the courts of appeals and the district courts. During the 1968 leave year, a total of about \$227,000 in lump-sum leave payments was made to 363 former court employees. (See p. 30.)

The Administrative Office could provide to the Judicial Conference additional assistance in improving the operations of the courts through increased participation in determining, coordinating, and bringing about needed improvements in the courts' administrative and financial activities. GAO believes that strengthening the role of the Director,

Administrative Office, could serve to diminish the necessity for the clerks' looking to the district judges for direction on administrative matters and thereby would allow the judges to devote a greater portion of their time to judicial matters. (See p. 33.)

#### RECOMMENDATIONS OR SUGGESTIONS

The Judicial Conference should consider:

- Requiring the Administrative Office to (1) design records to be maintained by the clerks of the courts to provide data on the number of prospective jurors summoned, selected, excused, and challenged for each jury impanelment and (2) develop guidelines and instructions to provide the district courts with a more realistic basis for estimating the number of prospective jurors required to complete jury impanelments under various circumstances. (See p. 15.)
- Requiring the Administrative Office to assist and encourage the district courts that meet the criteria to achieve automation of juror selection procedures and establishing target dates for completion of automation by all districts that meet the criteria. (See p. 18.)
- Establishing a policy requiring the courts to deposit registry account funds in Federal Reserve banks exclusively and requiring the Administrative Office to issue instructions to the clerks of the courts to transfer registry account funds on deposit in commercial banks to Federal Reserve banks. (See p. 21.)
- Evaluating the need to hold court at locations where the volume of cases requires that court be held infrequently and for only short periods of time. The Judicial Conference, to the extent that it has the authority to do so, should consider consolidating or otherwise reducing the number of locations for holding court. In the event that legislative action is required to accomplish all or part of this objective, the Judicial Conference also should consider sponsoring the necessary legislation. (See p. 25.)
- Instructing the Director, Administrative Office, to provide the clerks of the courts with detailed internal control procedures for funds and other items of value and to ensure that the procedures are implemented. (See p. 29.)
- Requiring the Director, Administrative Office, to provide for the maintenance of standard or uniform time and attendance records and leave records for all court employees, except judges. (See p. 32.)
- Issuing a policy statement setting forth the specific duties and responsibilities of the Director, Administrative Office, and authorizing him to require the clerks of the courts to implement his

instructions and recommendations concerning administrative and financial activities of the courts. (See p. 38.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

This report is being submitted to the Congress to inform it of potential areas for improvement of the administration of certain U.S. district courts' nonjudicial activities that could result in efficiencies and economies in operations and in improved relationships with the public.

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#### ABBREVIATIONS

FRB	Federal Reserve Bank
GAO	General Accounting Office
GSA	General Services Administration



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## CHAPTER 1

### INTRODUCTION

The General Accounting Office has reviewed selected administrative and financial operations of the U.S. courts for the Central District of California, the Middle District of Florida, and the Northern District of Illinois and related activities of the Administrative Office of the United States Courts in Washington, D.C. Our review was concerned principally with fiscal year 1969 operations. The scope of our review is described in chapter 10.

Prior to 1968 our audits of financial transactions and reviews for settlement of accounts of the clerks of the U.S. courts, exclusive of the Supreme Court, consisted of examinations, on a centralized basis, of certain documents furnished by the clerks of the courts to the Administrative Office. This arrangement was not satisfactory, however, because the propriety of the reported transactions could not be established and because the accuracy of the data being reported could not be verified.

In August 1968 the Comptroller General of the United States appeared before the Committee on Court Administration of the Judicial Conference of the United States to seek a mutually satisfactory arrangement under which GAO could perform reviews at the sites of the various courts. At its proceedings in September 1968, the Judicial Conference approved the Committee's recommendation that the Director, Administrative Office, enter into an agreement with GAO for onsite inspection of court records. In December 1968, the Director and the Comptroller General reached an agreement that GAO could make reviews at the sites of the courts.

### ADMINISTRATIVE STRUCTURE OF THE JUDICIARY

The administrative structure of the judicial branch of the Federal Government is composed of three levels: the Judicial Conference of the United States, 11 judicial councils, and the district courts. Associated with this structure are the judicial conferences of the circuit courts, the Administrative Office, and the Federal Judicial Center.

## Judicial Conference of the United States

The Judicial Conference consists of the Chief Justice of the United States, the chief judge of each circuit, the Chief Judge of the Court of Claims, the Chief Judge of the Court of Customs and Patent Appeals, and a district judge from each circuit elected by the circuit and district judges of that circuit. The Judicial Conference is a policymaking body for the Federal judicial system. Its area of interest includes the condition of the business in the courts in the United States, assignment of judges, just determination of litigation, general rules of practice and procedure, promotion of simplicity in procedure, fairness in administration, and the elimination of unjustifiable expense and delay. With the exception of its direct authority over the Administrative Office, the Judicial Conference is not vested with the day-to-day administrative responsibility for the Federal judicial system.

## Judicial councils and judicial conferences of the circuits

The United States is divided into 11 judicial circuits, each of which contains a court of appeals (circuit court) and from one to 17 district courts. Each of the 11 judicial circuits has a judicial council consisting of the judges of the circuit courts. These councils have administrative responsibility for the circuit and district courts. The district judges are required to carry out all orders of the judicial council of their circuit.

A judicial conference, which comprises all the circuit and district court judges of each circuit, is convened annually to provide informational and advisory forums for these judges.

## U.S. district courts

Each State has at least one district court, and some States have as many as four. Altogether there are 88 district courts in the 50 States and one each in the District of Columbia and the Commonwealth of Puerto Rico. Also, there are three territorial courts, one each in the Canal Zone, Guam, and the Virgin Islands. Each district court

has one or more judges, a clerk, one or more U.S. commissioners or Federal magistrates, referees in bankruptcy, probation officers, and court reporters and their assistants.

The standard codes of civil and criminal procedures for the U.S. district courts provide the general rules of practice for these courts. However, the judges of each district court, through majority action, formulate local rules and orders and determine how that court's internal affairs will be handled. The district court judges have direct control over the clerks of the courts.

The clerks are the courts' fiscal and disbursing officers and are responsible for maintaining the courts' records and performing other duties assigned by the courts. A Chief Justice of the United States said, in reference to the offices of the clerks of the Federal courts:

"These offices are the most important business offices of the courts--the nuclei of their record keeping and service functions--and, because of these duties, the prompt and orderly dispatch of the court's business is, to a considerable extent, contingent upon the degree of efficiency maintained in the management of such offices."

#### Administrative Office of the United States Courts

The Administrative Office is headed by a Director and a Deputy Director who are appointed by the Supreme Court of the United States. The Director is the administrative officer of all U.S. courts except the Supreme Court. Under the supervision and direction of the Judicial Conference, the Director is required to:

1. Supervise administrative matters relating to the office of clerks and other clerical and administrative employees of the courts.
2. Prepare and submit various reports regarding the state of the dockets and other statistical data to the chief judges of the circuits, the Congress, the Attorney General, and/or the Judicial Conference.

3. Audit vouchers and accounts of the courts and their clerical and administrative personnel and determine and pay necessary expenses of courts, judges, and other court officials.

#### Federal Judicial Center

The Federal Judicial Center, which has no administrative authority over the various courts, was created by the Congress in December 1967 to conduct research and study court operations and to develop and present for consideration by the Judicial Conference recommendations for improvement of court administration and management. The activities of the Center are supervised by a board composed of (1) the Chief Justice of the United States, (2) two active judges of the U.S. courts of appeals, (3) three active judges of the U.S. district courts, and (4) the Director, Administrative Office. The board is authorized to appoint and fix the duties of a Director of the Center, who serves at the pleasure of the board.



## CHAPTER 2

### OPPORTUNITIES TO REDUCE THE

#### NUMBER OF PROSPECTIVE JURORS SUMMONED

We found that there were opportunities to reduce the number of prospective jurors summoned to appear at district courts but not selected to serve. The reduction will not only result in substantial savings in jury costs but also decrease the number of persons inconvenienced.

In general, statistical analyses or studies had not been made by the three district courts to compare the number of prospective jurors summoned with the actual number impaneled. Also procedures had not been established to develop the information necessary for such analyses or studies.

District court juries normally consist of 12 jurors and from one to six alternates. During jury impanelment, it is necessary to have more prospective jurors available than are eventually selected to serve, because of potential challenges and excuses. Litigants are allowed from three to 20 challenges (objections or exceptions to jurors) without cause and an unlimited number for cause, depending upon the type of case to be tried. In addition, the judge may excuse certain prospective jurors. Each individual serving on a jury or appearing for jury impanelment is paid a fee of \$20 a day plus mileage between his residence and the place where court is held. In those instances where such daily travel appears impracticable, subsistence of \$16 a day is paid.

During calendar year 1968, one of the districts, where court was held at one location, summoned 8,353 prospective jurors, 247 of whom were excused or did not appear. Of the 8,106 prospective jurors who appeared, 2,192 were impaneled on 161 juries. For 156 of the 161 juries, 975 prospective jurors were challenged and did not serve. The number challenged for the other five juries was not available. The remaining 4,939 prospective jurors, or about 60 percent of the 8,106, reported for jury duty but were not impaneled

or challenged, except for the number of prospective jurors who may have been challenged in the five cases for which complete information was not available. The 4,939 prospective jurors were paid about \$75,000 consisting of juror fees of \$10 a day and the average mileage allowance we estimated at \$5. Under the current jury fee of \$20 a day (effective December 1968), these prospective jurors would have been paid about \$125,000 in fees and mileage allowances. Accordingly, a reduction in the number of prospective jurors summoned could result in significant financial benefit to the court and in fewer persons' being inconvenienced.

The juries referred to above were impaneled on 87 days during 1968. The number of prospective jurors, exclusive of those excused, who appeared on a given day during the year without being selected or challenged averaged 55 and on 1 day was as high as 194. Records were not available on the number of juries anticipated but not formed because of a defendant's change of plea or waiver of trial by jury after the prospective jurors had reported for duty.

This district has 16 courtrooms but no central jury assembly room. The number of prospective jurors summoned for a given day was the total of the estimated needs for each courtroom in which a jury was to be impaneled. Each judge notified the clerk's office of the number of juries he intended to impanel on a given day. Prospective jurors were then summoned and sent to each courtroom on the basis of its estimated needs.

The number of prospective jurors generally summoned in this district for each courtroom was as follows:

	<u>Number summoned</u>
Criminal cases:	
One jury to be impaneled	35
Two juries to be impaneled	45
Civil cases:	
One jury to be impaneled	25 to 30
Two juries to be impaneled	38

Larger numbers of prospective jurors were sometimes summoned when the judge indicated that certain criminal trials would be unusually lengthy or that a large number of challenges could be expected. Of the 200 jury trials held in this district during fiscal year 1969, 181 were concerned with criminal cases and 19 with civil cases.

Generally jury impanelments were not scheduled so that prospective jurors who were challenged or excused from one courtroom would be available for impanelment in one of the other 15 courtrooms. There were some instances, however, where, because of challenges or a defendant's change in plea, prospective jurors who were not selected in one courtroom were referred to other courtrooms and impaneled on one of the juries; however, this did not result in a reduction of the number of jurors summoned.

We computed the number of prospective jurors that would have been necessary for the 156 juries impaneled in this district during calendar year 1968, for which complete records were available. We added the number of jurors impaneled for each jury, the number challenged or excused, and the number who failed to appear for impanelment. Our computation showed that from 13 to 33 jurors would have been required for each of the 156 juries, or an average of 21 prospective jurors, which was substantially less than the 25 to 45 generally summoned during the period covered by our review.

This district had not maintained records showing the number of prospective jurors summoned to serve on juries which were not formed because of the last-minute changes of defendants' pleas or waivers of jury trials. District court officials informed us that procedures had been established which provided for the deputy clerks to contact the defendants' attorneys 2 or 3 days prior to the trial dates to determine whether there had been changes in pleas or waivers of trials by jury. Records of these contacts, however, were not maintained.

These officials informed us also that improved utilization of prospective jurors was impeded by the lack of a jury assembly room. In October 1969, the court began using

a jury assembly room but continued to determine its requirements for prospective jurors on an individual-courtroom basis. Prospective jurors reported to the jury assembly room only after they had first reported to a predetermined courtroom and had been excused or challenged. Since the court did not reduce the number of prospective jurors reporting to the individual courtrooms and did not vary the impanelment starting times to allow those excused or challenged in one courtroom to be available when needed for another courtroom, it appears that the use of the jury assembly room did not result in significantly reducing the number of prospective jurors being summoned.

In one of the other districts, which had three divisions and which held court in five locations, the jury impanelment procedures varied among the divisions. The courts in two of the divisions during the period January through June 1969 and the court in the third division during January through July 1969 impaneled 77 juries on 57 days. Of the 2,315 prospective jurors reporting for jury duty, 405 were not selected because of challenges and only 1,013 jurors actually served. The remaining 897 prospective jurors, or about 39 percent of the 2,315 who were not selected or challenged, were paid about \$23,000.

We were advised by a deputy clerk that generally the number of prospective jurors summoned in his division was as follows:

<u>Type of case</u>	<u>Number summoned</u>
Criminal cases:	
One jury to be impaneled	30
Two juries to be impaneled	50
Civil cases:	
One jury to be impaneled	25
Two juries to be impaneled	40
One civil and one criminal case:	
Two juries to be impaneled	40

If this division's procedure had been applied in the other two divisions, the number of prospective jurors summoned could have been reduced by 329, or 37 percent.

The clerk of one of the other divisions informed us that the number of prospective jurors summoned was determined on the basis of (1) the length of the term of court, (2) whether civil or criminal cases were to be tried, (3) the number of cases to be tried by jury, and (4) whether one or two judges were impaneling juries. For a normal 2-week term, the number of prospective jurors summoned by this division was as follows:

<u>Type of case</u>	<u>Number of judges</u>	<u>Number of prospective jurors summoned</u>
Civil	1	45
"	2	60
Criminal	1	50
"	2	75

When two judges were impaneling juries, the prospective jurors not impaneled in one courtroom reported to the other courtroom or were directed to report back at a later date.

The judge in one of the divisions, whenever feasible, impaneled more than one jury on the same day to achieve better utilization of prospective jurors by having available for the second jury those not selected or challenged for the first jury. The judge usually began a trial on the date he impaneled the juries and postponed the service of the other jury until the date he expected the other trial to begin.

In the third district, during the period February 17 through June 30, 1969, 121 juries were requested, of which 54 were not impaneled. Our analysis of the formation of 56 juries for which information was available showed that an average of 35 prospective jurors was summoned for each jury but that only an average of 20 prospective jurors was needed to impanel each of the juries. Including challenges and excuses, 38 of the 56 juries required less than 20 prospective jurors and only one required more than 35. We estimate that about 840 excess prospective jurors were summoned for the 56 juries.

Generally the number of prospective jurors summoned for a particular courtroom or judge was determined without giving consideration to the number being summoned for other judges or courtrooms. For example, 102 prospective jurors were summoned for March 17, 1969, in response to three separate requests for juries, an apparently routine practice. Of those summoned, 55 were not selected for a jury, challenged, or excused. Two or more juries were requested on 34 days during the period February 17 through June 30, 1969. In addition, there were 23 instances where the number of prospective jurors summoned exceeded the number requested by the court.

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We were informed by some of the judges and by other court officials in these districts that improved utilization of prospective jurors was impeded because some defendants who initially had requested jury trials changed their pleas or waived their rights to trial by jury after the prospective jurors had reported. Since the court could not predict a defendant's actions, a jury had to be available to preclude a defendant's appealing because he had not had an opportunity for a trial by jury. The need for reducing the number of prospective jurors summoned has become more pronounced, because of the increase in the amount of compensation paid to jurors and prospective jurors. Judges in two of the three districts expressed the opinion that the cost of selecting juries could be reduced.

#### CONCLUSIONS

We recognize that the courts must have more prospective jurors available than will be impaneled to allow for the uncertainty of the number of prospective jurors to be excused and challenged. The substantial number of prospective jurors summoned but not selected to serve indicates that opportunities exist to reduce the number of prospective jurors summoned.

Records should be established and maintained that will provide the districts with complete information on the number of prospective jurors summoned, selected, excused, and challenged for each jury impanelment. Continuing analysis

of such data could provide the districts with realistic bases for estimating the number of prospective jurors necessary to complete an impanelment under varying circumstances. There is a need for (1) consolidating requirements for prospective jurors when two or more judges are selecting juries, (2) coordinating court calendars so that, whenever possible, the judges will be selecting juries on the same day, and (3) varying impanelment starting times on the days when jurors are being selected in more than one courtroom so that prospective jurors challenged or excused in one courtroom would be available for selection in other courtrooms. We believe that these actions would enable the courts to reduce the number of prospective jurors summoned and would result in substantial reductions in jury costs, fewer persons being inconvenienced, and an improved relationship between the courts and the public.

#### RECOMMENDATIONS

We recommend that the Judicial Conference consider requiring the Administrative Office to design records to be maintained by clerks of courts which would provide complete data on the prospective jurors from the time they are summoned until the jury impanelments are completed. We recommend also that the Judicial Conference consider requiring the Administrative Office to develop guidelines and instructions to provide the district courts with a more realistic basis for estimating the number of prospective jurors required to complete an impanelment under varying circumstances.

## CHAPTER 3

### NEED TO ACCELERATE AUTOMATION

### OF JUROR SELECTION PROCEDURES

The three districts included in our review took little or no action to implement the automation of the juror selection procedures. Two of the three districts met the Administrative Office criteria for automation which, if implemented, would result in a more efficient and economical selection of prospective jurors. The third district will meet the criteria in 1971.

Pursuant to the Jury Selection and Service Act of 1968, which provides for the random selection of jurors, the three districts established similar systems to accomplish the purpose of the act.

These primarily manual systems involved (1) selecting large numbers of names from voter registration lists, (2) preparing a card for each name selected, (3) placing the cards in a container (jury wheel) in which the cards were turned and mixed, (4) drawing cards from the jury wheel, (5) addressing and mailing questionnaires to the individuals whose names had been drawn, (6) evaluating and processing the returned questionnaires to identify individuals able and eligible to serve, (7) preparing a second card for those individuals determined eligible and placing the cards in a second jury wheel, and (8) drawing cards from the second jury wheel and preparing and issuing summonses to the identified individuals.

In one of the districts, these procedures involved the preparation of about 44,500 cards for the initial jury wheel drawing and the issuance of over 33,000 questionnaires.

In April 1969, a copy of the Administrative Office's report prepared for the Judicial Conference, entitled "Automation of Jury Clerical Work in United States District Courts," was furnished to all chief judges of the U.S. district courts. The report showed that, with the assistance



of the General Services Administration (GSA), two U.S. district courts had implemented a computer system to process most of their juror selection paper work. GSA estimated that the use of computers would save from \$27,500 to \$42,000 annually in these districts. By use of computers one district addressed 16,000 juror questionnaires in 2 machine-hours.

According to the report, a district, if it could obtain in punched-card or computer-tape form at least half of its voters' names and if it was summoning at least 1,000 prospective jurors a year, could in all probability profitably use computer services for juror selection.

The report stated that two of the three districts included in our review met the two conditions and that these districts should start automating juror selection procedures by the end of 1969. We did not find any evidence that these districts had taken action to implement the suggestions made in the report. Following our inquiries about the status of plans to adopt the suggested automation, the chief judge of one of these two districts directed the clerk to proceed with the necessary preparations to automate the juror selection procedures.

An official in one of these two districts informed us that automating the juror selection procedures had been considered but that no action had been taken because the Federal Judicial Center had begun a study in another district of the feasibility of centralizing the clerical work of the office of the magistrate, referee in bankruptcy, probation officer, district clerk, judge, marshal, and U.S. attorney through the utilization of data processing equipment. Although the study was to be extended to this district, its officials believed it advisable to wait until the study in the other district was completed before taking any action so that advantage could be taken of any recommendations made. We were advised by these officials that the study would not be completed or its recommendations implemented before the court began to refill the master jury wheel beginning about July 1, 1970.

In the remaining district more than 1,000 prospective jurors a year were being summoned. We estimate that, by

the time the master jury wheel is refilled in 1971, about 59 percent of the registered voters' names will be on punched cards or computer tape. Accordingly, this district will also meet the criteria for automation set forth by the Administrative Office.

The Administrative Office report suggested that the most realistic approach to automation of juror selection procedures would be to have the work performed by data processing service organizations. We noted that other Federal agencies located in two of the three districts had machine time available and had the capacity to provide the service necessary to automate juror selection procedures.

### CONCLUSIONS

Reduction in costs can be realized by automating the time-consuming, manual juror selection procedures as evidenced by the estimated reduction in time and the substantial savings to be achieved by the two district courts using computers.

Accordingly, all the districts that meet the Administrative Office's criteria should implement the suggested automation of juror selection procedures to bring about the recognized efficiencies and economies without further delay.

### RECOMMENDATIONS

We recommend that the Judicial Conference consider requiring the Administrative Office to assist and encourage the district courts that meet the established criteria to automate juror selection procedures. We recommend also that the Judicial Conference consider establishing target dates for completing the automation of juror selection procedures by all districts that meet the established criteria.

## CHAPTER 4

### SAVINGS AVAILABLE FROM DEPOSIT OF

#### REGISTRY ACCOUNT FUNDS IN FEDERAL RESERVE BANKS

We estimate that the Government could have realized savings of about \$1.8 million in interest cost during fiscal year 1969 if all the district courts had deposited registry account funds exclusively with the Treasurer of the United States in Federal Reserve banks (FRBs). During the year, a monthly average of about \$35 million of such funds was on deposit in commercial banks, of which about 15 percent was earning interest.

Registry account funds consist of money of litigants, including money of the United States when it appears as a litigant, paid into courts to await disposition by court order. A substantial part of the \$35 million consisted of Government funds posted in land condemnation cases.

Money paid into any court of the United States, or received by its officers in any case pending or adjudicated in such court, is required, by law, to be deposited with the Treasurer of the United States or a designated depository in the name and to the credit of such court. The decision as to whether the registry account funds are to be deposited in FRBs, in commercial banks, or in both has been the prerogative of the individual courts. The Administrative Office has not issued any guidelines or instructions concerning the deposit of registry account funds.

During fiscal year 1969, an average monthly balance of \$56.2 million of registry account funds was on deposit, as follows:

	<u>Number of districts</u>	<u>Commercial banks</u>	<u>FRBs</u>	<u>Total</u>
		<hr/> (millions) <hr/>		
	63	\$31.2	\$ -	\$31.2
	18	-	9.1	9.1
	<u>12</u>	<u>3.8</u>	<u>12.1</u>	<u>15.9</u>
Total	<u>93</u>	<u>\$35.0</u>	<u>\$21.2</u>	<u>\$56.2</u>

At July 31, 1969, 41 of the 75 districts that deposited funds in commercial banks exclusively or in a combination of commercial banks and FRBs had deposited funds in more than one commercial bank. The following tabulation shows the number of commercial banks used by the 75 districts.

<u>Number of districts</u>	<u>Number of commercial banks used by each district</u>	<u>Total number of commercial banks used</u>
34	1	34
17	2	34
9	3	27
5	4	20
4	5	20
3	6	18
2	8	16
<u>1</u>	12	<u>12</u>
Total	<u>75</u>	<u>181</u>

Of the \$35 million on deposit in commercial banks, about \$30 million was on deposit in non-interest-bearing accounts. If the \$30 million had been deposited in FRBs, the Government could have reduced its borrowing requirements and interest costs. On the basis of the average interest rate of about 6 percent paid by the Government on marketable public issues for the fiscal year ended June 30, 1969, we estimate that about \$1.8 million in savings could have been realized in fiscal year 1969.

One of the three districts included in our review had an average daily balance of \$1.5 million of registry account funds on deposit in a non-interest-bearing account in a commercial bank. If these funds had been deposited in the FRB in the same city as the district court, the Government could have reduced its interest cost by about \$90,000 annually.

During the period January through June 1969, another district's average daily balance of registry account funds on deposit in a non-interest-bearing account in a commercial bank exceeded \$400,000. If these funds had been deposited

in the FRB in the same city, the Government could have reduced its interest cost by about \$24,000 during this period. When informed of the potential reduction of interest costs, the chief judge of this district advised us that exclusive use of the FRB would be considered. The clerk of this district advised us that he did not know why the commercial account had been started and that he would have no objection to depositing funds in the FRB exclusively.

During fiscal year 1969, the third district had an average monthly balance of \$808,000, representing 98 percent of its registry account funds, on deposit in the FRB. We were informed by the clerk that an average monthly balance of \$18,000 was maintained in a commercial bank across the street from the court, which was convenient for deposits and withdrawals.

### CONCLUSIONS

To reduce the cost of financing Government operations, deposits to the credit of the courts should be made in FRBs. This practice would reduce the Government's borrowing needs and interest costs, particularly with respect to the funds deposited in non-interest-bearing accounts in commercial banks. The justification for depositing funds in FRBs exclusively takes on additional significance because (1) substantial amounts of Government money are included in the registry account funds and (2) several districts have used FRBs exclusively without hindering their operations.

### RECOMMENDATION

We recommend that the Judicial Conference consider establishing a policy requiring that registry account funds be deposited in FRBs exclusively and requiring the Administrative Office to issue instructions to the clerks of the district courts to transfer registry account funds on deposit in commercial banks to FRBs on a timely basis.

## CHAPTER 5

### SAVINGS AVAILABLE THROUGH

### CONSOLIDATING COURT LOCATIONS

In two of the three districts, court was being held infrequently and for short periods of time at locations in which the court occupied Government-owned space on a year-round basis. Because of the potential savings available from (1) eliminating time lost by judges and other court employees in traveling to these locations, (2) making the space occupied by the courts available to other Government agencies occupying leased space, and (3) reducing travel costs, the Judicial Conference should evaluate the feasibility of holding court at fewer locations in some judicial districts in the United States.

Title 28, U.S.C. 81-131, provides that district court be held in 412 locations. Under the statute, seven districts are permitted to hold court in only one location and 83 districts are permitted to hold court in more than one location. Title 28, U.S.C. 140(a), provides that:

"Any district court may, by order made anywhere within its district, adjourn or, with the consent of the judicial council of the circuit, pretermitt any regular session of court for insufficient business or other good cause."

Two of the three districts included in our review are authorized to hold court in more than one location. Consolidating court locations could result in savings to the Government by (1) saving judges' time, (2) eliminating disruptions to judges' busy schedules, (3) reducing travel costs, and (4) releasing Government-owned space occupied by the courts to other Government agencies.

Although one of the districts was authorized to hold court at eight locations, court was held on a continuous basis at only three of these locations during 1968. Court was not held nor were there any court facilities at three other locations. At each of the two remaining locations,

court was held twice a year for periods of 2 weeks each in space set aside for court use only. A total of four jury and eight nonjury cases were tried at the latter two locations during 1968.

We estimate that the Government could realize annual savings of about \$46,000 by consolidating the two locations where court was held only twice a year and for a period of 2 weeks each with the three locations where court is held on a continuous basis. The consolidation would reduce disruptions in the judges' busy schedules and would save time and cost of travel to temporary locations. In our opinion, the litigants would not be unduly inconvenienced, since the cases could be tried at the nearest of the three locations where court is held on a continuous basis.

A judge informed us that he had lost time in traveling to the temporary locations, because of the disruption of his schedule and the difficulties involved in working on cases at the temporary locations.

We were informed by GSA officials that approximately 10,500 square feet of space was assigned to the court and that the Government was leasing floor space at about \$4 a square foot for other Federal agencies at these two locations. We estimate that, if the space held by the court could be released and assigned to other Federal agencies occupying leased space, annual savings of about \$42,000 could be realized. In addition, annual travel costs for court personnel could be reduced about \$4,300.

One of the other districts consisted of the Eastern and Western Divisions. This district's rules provided for sessions on all business days throughout the year in the Eastern Division and for sessions beginning on the first Mondays in April and October for the Western Division. The Western Division sessions continue until terminated by order of final adjournment or by commencement of the next regular session.

During the 18-month period January 1, 1968, through June 30, 1969, only four trials which lasted a total of 9 days were held in the court facilities in the Western Division. We discussed the low usage of courtroom facilities

with the chief judge of the district. He informed us that the Western Division courtroom facilities were unnecessary and that he had attempted to have the courtroom closed.

The Judicial Conference generally discusses the places of holding court in its annual meetings. In its consideration of several proposals to establish new places for holding court, the Judicial Conference, in its report of proceedings of March 13 to 14, 1961, stated:

"The Conference directed that the proposals be forwarded to the respective Judicial Councils of the circuits with the request that the councils report their views to the Committee as soon as convenient. The Committee was authorized to inform the Congressional Committees of the views of the respective Judicial Councils of the circuits with respect to these bills.

"In this connection, it may be well to note that proposals to establish new places of holding court have been a matter of longstanding concern to the Judicial Conference. In fact, the report of the Committee on Ways and Means of Economy in the Operation of the Federal Courts, filed with the Conference in September, 1948, concluded: '... it is clear that, throughout the country, court is now required to be held in many places where such a service is entirely unnecessary and wasteful of time and money.'

"Recent studies by the Administrative Office of the United States Courts suggest that this conclusion is as valid today as it was in 1948 when the Committee on Economy reported to the Conference." (Underscoring supplied.)

## CONCLUSIONS

Holding court infrequently and for short periods of time at temporary locations has resulted (1) in lost time to the judges, due to the need for travel and in disruption to their busy schedules, (2) in low usage of courtroom



facilities at those locations, which could be made available to other Government agencies, and (3) in increased cost of transporting various court employees and records. The substantial volume of work which faces the courts emphasizes, in our opinion, the need to explore means for carrying out the courts' responsibilities more timely and economically.

#### RECOMMENDATIONS

We recommend that the Judicial Conference consider evaluating the need to continue holding court at locations where the volume of cases requires that court be held infrequently and for only short periods of time. We recommend also that, if the evaluation reveals that there would be advantages in holding court at fewer locations, the Judicial Conference, to the extent that it has the authority to do so, consider consolidating or otherwise reducing the number of locations of holding court. We further recommend that, in the event that legislative action is required to accomplish all or part of this objective, the Judicial Conference consider sponsoring the necessary legislation.

## CHAPTER 6

### OPPORTUNITIES FOR IMPROVEMENT

#### IN INTERNAL CONTROL OVER FUNDS AND PROPERTY

The internal control procedures followed by the clerks of the courts need to be strengthened to provide assurance that funds and other items of value are properly accounted for, safeguarded, and timely disposed of.

The clerks of the courts act as custodians for a variety of items of value pending the outcome of the litigation. These items include deposits of funds in land condemnation cases, cash bonds, and undistributed balances from bankruptcy judgments. Funds are also received by the clerks and held for payment to private or public parties and to Government agencies as a result of decisions by the courts and U.S. commissioners. In addition, the courts collect fees for adjudicating certain cases and receive funds from photocopy sales, bond forfeitures, and other miscellaneous sources.

A basic element of internal control over funds and other assets consists of clearly defining employees' responsibilities and separating the duties for accounting from the operating function.

We found that (1) in all three districts some deputy clerks received cash, recorded the receipt of the funds, and prepared and made bank deposits, (2) in two districts cash drawers were sometimes left open and unattended, receipts were not always deposited on a daily basis, and mail which sometimes contained funds was distributed to various employees without a control list to provide assurance that funds were properly recorded and deposited, and (3) in one district combinations to vaults had not been changed in several years.

With respect to fines assessed by U.S. commissioners, the internal controls were not adequate for providing assurance that all fines assessed and collected by the commissioners were reported and sent to the clerks. In each

of the districts included in our review, we found that commissioners generally originated the only documents (petty offense dockets) which would indicate that a fine had been levied, the amount of the fine, and whether it had been collected and transmitted to the clerk. Procedures had not been established to ensure that dockets were prepared on all cases or that the dockets were correctly completed. Although books of prenumbered receipts had been issued by the clerks to the commissioners, the clerks were not maintaining records of receipts issued to the commissioners and were not requiring them to account for the receipts used.

In addition, the procedures of the probation officers for controlling funds derived from collection of fines and restitution payments need improvement. In one of the districts, money orders, certified checks, and cash received in payment of fines and restitution were stapled to the envelopes in which they were received and placed in an open box on a table in the middle of the typing-pool room, easily accessible to anyone in the room. The amount and source of the funds received were not listed nor was a record maintained of the amount of the funds placed in the box. The funds were sent to the clerk's office for further processing; however, the controls were weak because no procedures had been established to ensure that receipts were issued for all funds transmitted to the clerk.

In two of the three districts, court exhibits in the custody of the clerks' offices had not been returned to the litigants or destroyed on a scheduled basis after the periods of appeal had expired. Timely disposal of exhibits, as required by the rules of the court, would release valuable space and would allow more orderly storage and easier access to the remaining exhibits. In the other district, valuable exhibits were not properly safeguarded. Narcotics and rare coins valued at \$750,000 and \$200,000, respectively, were stored in a vault which, in our opinion, permitted easy access because the vault's combination lock was inoperative. The only locking device used was a keylock on the vault's inner door. We called this matter to the attention of the clerk, and he advised us that the combination lock on the vault would be repaired.

Timely disposition of certain funds had not been made. Instructions to clerks provide that, after money in the registry account funds has remained on deposit for at least 5 years and the right to withdraw the money has been adjudicated and is not in dispute, the money be transferred to miscellaneous receipts of the U.S. Treasury. We found that certain of the registry account funds which were not in dispute had not been transferred to miscellaneous receipts, although more than 5 years, and in some instances almost 9 years, had elapsed.

### CONCLUSIONS

Because significant sums of money and other items of value are handled by the clerks' offices, adequate internal controls should be established for the accounting, safeguarding, and disposing of these items. In many respects, the basic elements of sound internal control were lacking in the clerks' offices.

The courts could be provided with more assurance that funds and other items of value are properly accounted for by adopting certain fundamental internal control procedures. For example, (1) employees with accounting responsibility should not have access to funds or be given cash-handling responsibility, (2) cash drawers should be attended or locked, (3) combinations to vaults should be changed periodically, (4) control lists of funds received in the mail should be prepared and, whenever possible, receipts should be deposited on a daily basis, and (5) required transfer of funds should be timely made.

Also, the courts' internal control over funds collected by U.S. commissioners could be substantially strengthened by requiring the commissioners to issue receipts for all fines collected, account for all receipts provided, and return completed receipt books to the court. This procedure would enable the clerks to determine whether all receipt numbers were accounted for and whether the revenue from fines they received agreed with the amounts listed in the commissioners' completed receipt books.

### RECOMMENDATION

We recommend that the Judicial Conference consider instructing the Director, Administrative Office, to provide the clerks of the courts with detailed internal control procedures designed to remedy the problems discussed above and to ensure that the procedures are implemented.

## CHAPTER 7

### NEED TO PROVIDE ADDITIONAL INFORMATION

#### SUPPORTING PAYROLLS OF CERTAIN COURT EMPLOYEES

The district courts' payroll system does not provide the clerks of the courts with sufficient evidence to support their certifications of employees' entitlements to the amounts being paid.

During fiscal year 1969 salaries of about \$53 million were paid to officers and employees of the courts of appeals and U.S. district courts, exclusive of judges. During the 1968 leave year, about \$227,000 in lump-sum leave payments were made to 363 former court employees. Payments in excess of \$1,000 each were made to 56 former employees, six of whom received payments in excess of \$5,000 each, including one who received a payment of about \$9,200.

At the time of our review, the Administrative Office prepared all payrolls for the monthly salaries of judges and the biweekly salaries of the other court officers and employees. An officer of the Administrative Office certified the accuracy of the amounts on each page of the payroll lists. The lists were then sent to the certifying officers of the district courts for certification as to the amount and entitlement of each employee to compensation from the standpoint of attendance.

Court officials notified the Administrative Office when a new employee began work, and the Administrative Office placed the new employee's name on the payroll. Every pay period thereafter, the amount of the employee's regular pay was automatically listed on the payroll by the Administrative Office, unless the Office was notified otherwise by the court. Time and attendance records were not required to support the payroll listings.

In the three districts included in our review, the clerks were the certifying officers for employees of their offices and the judges' staffs. As certifying officers, the clerks were responsible for the existence of support

for and correctness of the amounts certified to and could be required to make payment to the United States for the amount of any illegal, improper, or incorrect payment resulting from any false, inaccurate, or misleading certification. In some instances, the clerks certified payrolls for the judges' staffs, although the clerks were not in a position to observe the staffs and were not provided with evidence that they had worked or taken leave during the payroll periods.

We found instances where (1) time and attendance records were not being maintained for members of the judges' staffs on the leave system and for some employees of the clerks' staffs, (2) some members of the judges' staffs and some employees of the clerks' staffs were maintaining their own leave records, (3) evidence was not available to support some lump-sum leave payments made to former members of the judges' staffs, (4) errors had been made in computing employees' leave, and (5) some employees had been advanced leave in excess of the amount that would have accrued to their credit during the leave year.

### CONCLUSIONS

The purposes for requiring certification of payrolls are to provide an additional check of the correctness of the payments and to provide the disbursing officers with assurance that the payments are proper. When certifications are based on little or no supporting knowledge or evidence, they are little more than a mechanical act and do not accomplish the stated objectives. Under the courts' payroll system, the payrolls were not supported by time and attendance records and the certifications were not supported by proper evidence.

Uniform time and attendance records correctly maintained and properly controlled would provide the certifying officers with the evidence necessary to support their certifications. In addition, time and attendance records are needed to support lump-sum leave payments made to employees terminating their Government employment. The time and attendance records should be the basis for posting to independent leave records used to support lump-sum leave payments.

## RECOMMENDATION

We recommend that the Judicial Conference consider requiring the Director, Administrative Office, to provide for the maintenance of standard or uniform time and attendance records and leave records for all court employees except judges, to support the certification of payroll and lump-sum leave payments.



## CHAPTER 8

### STRENGTHENING OF ADMINISTRATIVE OFFICE ROLE NEEDED

#### TO ACCELERATE IMPROVEMENTS IN

#### ADMINISTRATIVE AND FINANCIAL ACTIVITIES OF COURTS

The Administrative Office could provide additional assistance to the Judicial Conference in furthering its goals of improving the operations of the courts by increased participation in determining, coordinating, and bringing about needed improvements in the courts' administrative and financial activities. Although the Director, Administrative Office, is the administrative officer of the district courts, neither he nor the Office has been delegated by law or Judicial Conference the authority to require the implementation of recommended policy or procedure changes.

As discussed in previous chapters of this report, our review revealed a number of areas where, in our opinion, opportunities for improved administration exist. The Judicial Conference has recognized the need for some of these improvements, and its committees have conducted studies or had studies made and have proposed recommendations for improvements. In certain of these areas, such as jury impanelment, automation of juror selection procedures, and deposit of funds, limited progress has been made toward bringing about the desired and needed improvements.

For an organization to function in an effective and efficient manner, the functions and responsibilities of the various units of the organization should be clearly defined and the authority granted should be sufficient to enable the units to successfully fulfill their assigned responsibilities.

The administrative framework created for the courts by the Congress consists of the Judicial Conference, the circuit judicial councils, and the Administrative Office. The principal officials of the district courts responsible for the performance of the administrative functions are the clerks of the courts. The clerks are appointed by, subject

to removal by, and directly responsible to, the court in each district.

The Director, Administrative Office, is the administrative officer of the courts under the supervision and direction of the Judicial Conference. He has the responsibility to:

"Supervise all administrative matters relating to the offices of clerks and other clerical and administrative personnel of the courts." (Under-scoring supplied.)

There appears to be a conflict of authority, since the clerks of the courts are responsible to both the judges of the district courts and the Administrative Office for administrative matters relating to the courts.

In view of the specialized nature of the work of the clerks of the court and the ever-changing conditions in the courts, the Judicial Conference has directed the Administrative Office to continuously improve office techniques and equipment, study the process used in handling the business matters of the courts, and bring about improvements.

The guidance provided by the Administrative Office to clerks of district courts is, for the most part, presented in its manual for clerks, U.S. district courts. The preface to this manual contains the following statement.

"It is the purpose of this 1966 edition of the Manual for the use of Clerks of United States District Courts and the plans by which it is to be from time to time revised to contribute in part to the accomplishment of the directions of the Judicial Conference. In this manual an effort has been made to collect the mass of statutes, rules and regulations governing the duties of the clerk. It is intended to assist clerks and their staffs to give the best possible service to the court and the public and to bring about as much uniformity as possible in the clerk's offices."

Title 28, U.S.C. 604, directs that the clerical and administrative employees of the courts comply with all requests by the Director, Administrative Office, for information or statistical data as to the state of court dockets. It does not, however, specifically direct the clerks of the courts to comply with directions issued by the Director nor specifically define the extent of the Director's authority over the clerks and other administrative and clerical employees of the district courts.

The Administrative Office does not have an internal audit staff to review court operations but has relied on reviews of court activities and administration made by Department of Justice examiners. From time to time, however, representatives from the Administrative Office's Divisions of Personnel and Business Administration have made personnel studies and surveys of court organizations and operations. (See ch. 9.)

The Administrative Office has not established a policy for disseminating to all judicial districts information on improvements identified and implemented in one district that have applicability in other districts. In some instances information concerning improved procedures in one or more districts have been disseminated to other districts. For example, in April 1969 the Administrative Office furnished to all district courts a report entitled "Automation of Jury Clerical Work in United States District Courts." The report stated that two district courts, with the assistance of GSA, had implemented computer systems to process most of the juror selection paper work. The report suggested that 17 other district courts should start automating juror selection procedures and suggested sources and ways for these district courts to obtain computer services. We did not find any evidence that the three districts included in our review had taken action to implement the suggestions. (See ch. 3.)

In 1962 one of the districts reported that combining the clerical staffs of the clerk of the court and the referee in bankruptcy had resulted in a reduction of 13 positions. We found no evidence that the Administrative Office had disseminated this information to other district courts for possible use.

At the direction of the Judicial Conference, the Administrative Office, during a 6-year period in the 1950's, conducted annual studies of the costs of operating the jury system. One of the studies pointed out that:

"\*\*\* during fiscal year 1958 there were 1,083 panels, aggregating 38,070 jurors, summoned and not used, and that, in addition to the inconvenience to these prospective jurors, the cost to the United States was in excess of \$380,000."

The study pointed out also the great disparity which existed among the district courts in the handling of jurors. For example, the percentage of jurors selected to serve or challenged on the first day of trial ranged from 84 percent to 18 percent. At the direction of the Judicial Conference, the Administrative Office's studies were circulated to the circuit and district judges and the clerks of the district courts to call attention to those courts where jury costs appeared to be excessive, as well as to the district where an efficient system of jury operations had held down the costs.

We did not find any evidence in the three districts included in our review that the Administrative Office had followed up to determine whether action had been taken by the districts in response to the studies or whether action had been taken in these districts to improve juror utilization. The utilization of jurors in these districts had not substantially improved since 1958, although opportunities existed for improvements. (See ch. 2.)

We were advised by the clerk of one of the district courts that he would not take any action which might result in fewer prospective jurors being summoned, unless he was directed to do so by the chief judge of the district.

In reviewing the district courts' practices with respect to depositing registry account funds in commercial banks, we found that substantial reductions in interest costs could be achieved if these funds were deposited in FRBs. (See ch. 4.) Many district courts deposit registry account funds exclusively in commercial banks, some courts

deposit funds exclusively with FRBs, and the other courts deposit funds in both commercial banks and FRBs.

In 1955 the clerk in one of the three district courts wrote to the Administrative Office concerning the desirability of depositing almost \$5 million of registry account funds in an FRB rather than in commercial banks. Although the Administrative Office was aware of the substantial savings in interest costs that could result from such a deposit and encouraged the clerk to make the deposit, the Administrative Office did not take any action to direct or influence other district courts to deposit registry account funds in FRBs.

In discussing these matters with Administrative Office officials, we were informed that the Administrative Office viewed its role in the judicial system as one of providing staff support to the Judicial Conference and as basically a service organization with no authority to direct changes within the district courts. Administrative Office officials informed us that the Administrative Office could only make suggestions for improvement and that the adoption thereof was subject to acceptance by the judges of the respective district courts.

The Director, Administrative Office, informed us that the greatest difficulty was to persuade employees to follow proper procedures. He informed us also that, in many respects, the clerk's manual published by the Administrative Office was not being followed. He expressed the view that the best way to bring about compliance was to convince the judges and clerks that the suggested way was the best way.

### CONCLUSIONS

The Director, Administrative Office, could be of greater assistance to the Judicial Conference if he were provided with not only the authority to recommend improvements in the clerks' operations but also the means necessary for ensuring that the recommended improvements were considered and implemented where applicable. Strengthening the role of the Director to enable him to direct the administrative functions of the clerks of the courts would diminish the necessity for

the clerks to look to the district judges for direction on administrative matters and thereby allow the judges to devote a greater portion of their time to judicial matters.

#### RECOMMENDATION

We recommend that the Judicial Conference consider issuing a policy statement setting forth the specific duties and responsibilities of the Director, Administrative Office, and authorizing him to require the clerks of the courts to implement his instructions and recommendations concerning administrative and financial activities of the courts.

## CHAPTER 9

### REVIEWS OF DISTRICT COURT ACTIVITIES

#### BY DEPARTMENT OF JUSTICE EXAMINERS

The judicial branch does not have an internal audit staff but has an arrangement whereby the Department of Justice's examiners make "a general examination of the official acts, records, and accounts" of the clerks of district courts. In addition to examining district courts, the examiners perform examinations of the U.S. attorneys' and marshals' offices in the 93 judicial districts.

During fiscal year 1969 the Department of Justice had an average of 8.7 examiners on its staff, and the time interval between examinations of clerks of courts' offices averaged 3.6 years.

At the time of our review, the latest reports issued by the examiners covered the following periods.

<u>District</u>	<u>Period covered</u>
California Central	10- 1-64 to 9-30-66
Florida Middle	8- 1-65 to 7-31-67
Illinois Northern	9-19-65 to 9-20-68

Supporting working papers were not available to show the nature of work performed, the source of the information obtained, and the conclusions reached. Accordingly, an evaluation could not be made of the effectiveness of the examinations.

In our review of the examiners' reports, we found that their examinations of financial transactions and operations were too limited in scope and depth to be used effectively in the management of the courts. The reports were not informative as to how efficiently the clerks of the courts were discharging their financial responsibilities. Financial responsibilities are construed as including the accountability for funds and the use of property and personnel for authorized programs, activities, or purposes.

The achievement of economies and effective management is, in our opinion, a basic responsibility of each department and agency. Our audit approach at the district courts was to review the organization, management, and controls; to identify weaknesses; to report on conditions found; and to make recommendations for improvements. The examiners were concerned principally with the adherence to established administrative and financial policies by the courts, whereas our objectives were to determine not only whether the established policies were being followed but also whether such policies were in accordance with statutory requirements and whether the financial operations of the courts were being conducted in an efficient, effective, and economical manner.

Following are some examples of the areas reviewed by us in which only limited work or no work was performed by the examiners.

1. Internal controls over funds and property.
2. Use of commercial banks instead of FRBs for deposit of registry account funds.
3. Excessive number of prospective jurors called to serve on juries.
4. Automation of juror selection procedures.
5. Examination of disbursements, particularly for payrolls, terminal leave, and travel.
6. Examination of leave records.
7. Examination of activities of the U.S. commissioners, magistrates, and probation officers.

As a result, our reliance on the work of the examiners was limited because of the limited scope and the long time lapse between examinations.

Although some of the matters discussed in this report have also been included in their reports, the examiners did not review the areas in sufficient depth to permit presenting the full impact of the findings that would justify



action by the courts. We believe that our work, except possibly in rare instances, did not duplicate the work performed by the examiners.

In March 1970, the Department of Justice abolished the Examiner Section of the Office of Management Inspection and Audit, its central internal audit organization. The Department established an Office of Judicial Examinations and assigned to it the responsibility for the examination and inspection of the offices of the clerks of the district courts and the U.S. attorneys' and marshals' offices.

Because of the recency of the reorganization, we have not evaluated the newly established Office of Judicial Examinations. In our continuing reviews of the financial operations of the courts, we will, however, evaluate the adequacy of the reviews made by the Office of Judicial Examinations.

## CHAPTER 10

### SCOPE OF REVIEW

Our review was concerned principally with the activities of the offices of clerks of the courts and included an evaluation of (1) the procedures and controls relating to juror selection procedures; the receipt, deposit, and disbursement of funds; payroll activities; property; and other administrative operations and (2) the feasibility of consolidating certain court locations.

We reviewed pertinent regulations and available records and held interviews and discussions with judges and other officials of the district courts and of the Administrative Office. The review was made in the judicial districts for the Central District of California, Middle District of Florida, the Northern District of Illinois, and at the Administrative Office in Washington, D.C.

We considered the latest work performed and reports prepared by the Department of Justice examiners at the three district courts. Our reliance on the work of the examiners was necessarily restricted because of (1) the limited scope of the financial examinations made by the examiners and (2) the long time lapse between examinations.